



DIGITALIZATION AS THE BASIS FOR THE TRANSFORMATION OF THE TRANSPORT AND LOGISTICS INDUSTRY AND CUSTOMS REGULATION OF NEW UZBEKISTAN

E.V. Ladygina

Prepared; Senior Lecturer of the Department
Customs Control Customs
Institute under the Customs Committee
Republic of Uzbekistan, Lieutenant Colonel

U.Yuldashev

Associate Professor of the Department of Economic and Humanitarian Disciplines, Colonel
Customs Service

Article history:	Abstract:
Received: 6 th January 2024 Accepted: 4 th March 2024	Digitalization of the transport and logistics industry and its technologization are an integral element of further integration of the Republic of Uzbekistan into the world community. The analysis of digitalization processes in customs administration is carried out. The main directions of implementation and development of digitalization in the transport industry and customs regulation in the customs territory of the Republic of Uzbekistan and priority areas for the development of customs, business and logistics industry are identified

Keywords: Digitalization, world community

Digitalization of the transport and logistics industry and its technologization are an integral element of further integration of the Republic of Uzbekistan into the world community. The analysis of digitalization processes in customs administration is carried out. The main directions of implementation and development of digitalization in the transport industry and customs regulation in the customs territory of the Republic of Uzbekistan and priority areas for the development of customs, business and logistics industry are identified. The prospects for digitalization are considered.

The development of the world economy is based on the introduction of digital technologies. Digitalization of interstate economic relations and customs regulation is the replacement of existing technologies with more modern methods and techniques of production activities used in the system, which can eliminate the negative impact of the human factor in the implementation of customs regulation, which can slow down the natural development of international trade, since the pace of the process The trade turnover is very large. Given the globalization of the economy, the very infrastructure of trade activities, supply and demand, and global trends are very often changing. Digitalization processes help to reduce time, as it is known, "time is money" and eliminate customs barriers for open trade and bona fide participants in foreign economic activity. Digitalization processes are also being intensively introduced into the transport industry, facilitating, among other things, control over the movement of goods across the customs

border and their delivery to their destinations. Examples are the simplified procedure for obtaining permits through the use of modern information technologies. According to the Decree of the President of the Republic of Uzbekistan No. **UP-6005** dated **05.06.2020**. "On reforming customs administration and improving the activities of the state customs service bodies of the Republic of Uzbekistan", a number of **concepts** were approved to reform customs administration and increase the efficiency of the state customs service bodies of the Republic of Uzbekistan in 2020-2023. One of the main directions is to ensure the transparency and efficiency of the activities of customs authorities through the introduction of modern and advanced information and communication technologies in the customs sphere within the framework of the digital economy.

Also, in order to further improve the efficiency of activities through the widespread introduction of advanced digital technologies in the simplification of customs procedures, the following Decree of the President of the Republic of Uzbekistan No. **UP-6310** dated **09/10/2021** **was adopted.**"On Simplification of Customs Procedures and Further Improvement of the Organizational Structure of the State Customs Service". According to this document, the proposals of the State Customs Committee on the creation **of uncategorized customs posts for remote electronic declaration were approved** and it was established that customs posts for remote electronic declaration **carry out**



remote customs clearance of electronic cargo customs declarations submitted by participants in foreign economic activity.

But it is worth noting the latest changes and innovations introduced in the activities of customs services in accordance with the Decree of the President of the Republic of Uzbekistan No. **UP-122** dated **04/27/2022**. "On Additional Measures to Further Improve Customs Administration". This Decree contributed to raising customs administration to a new stage, by drastically reducing the human factor through the digital transformation of customs and cargo operations. According to this regulatory act, a "Roadmap" for the digitalization of customs clearance processes in 2022-2023 and a list of eliminated customs posts in the system of the State of the Customs Committee, approved the procedure according to which the number of services provided through the customs information system "Single Window" (EO) with full digitalization of customs services. Digitalization has embraced customs inspection processes. The use of electronic declaration has reduced the time for the transportation of goods (while the carrier is on the way, the declarant draws up documents and sends them to customs, thus reducing downtime to a minimum). At the same time, customs administrations, according to the latest reforms in the system of customs authorities, have effectively begun to use remote declaration, which creates all the necessary conditions for the implementation of the standards of the Kyoto Convention on the simplification and harmonization of customs procedures. Remote customs clearance, remote declaration posts, and the Auto-release system have been introduced. Priority areas of the RMS and risk targeting contribute to the development of the customs service of Uzbekistan. Measures are being taken to fully implement the WCO Framework of Safety Standards. The Strategy for the Development of the Transport System of the Republic of Uzbekistan until 2035 has been developed. Over the past period, as a result of the state policy in the transport sector, large-scale work has been carried out in the country to organize an effective transport system that meets the needs of the economy and the population in transport services by all modes of transport.

In order to further improve the transport system of Uzbekistan, provide affordable and high-quality transport services for business and the population, increase the competitiveness of the country's transport sector, as well as in accordance with the Decree of the President of the Republic of Uzbekistan dated February 1, 2019 No. UP-5647 "On measures to radically improve the public administration

system in the field of transport", Decree of the President of the Republic of Uzbekistan dated February 5, 2019 No. PP-4160 "On additional measures to improve the rating of the Republic of Uzbekistan in the annual report of the World Bank and the International Finance Corporation "Doing Business".

In order to obtain benefits and achieve positive effects of the functioning of the transport industry from the digital space, organized joint work and a coordinated policy are required, in order to develop them, a detailed analysis of processes and identification of the main areas of implementation for the partner countries of Uzbekistan is required. In accordance with the implementation of the main directions of the Development Strategy of New Uzbekistan and the digital agenda, in order to achieve the most favorable goals, the main priorities of digitalization are as follows:

- ✓ creation of a favorable climate for the development and implementation of innovative projects;
- ✓ creation of favorable conditions for mutual cooperation with partner countries of Uzbekistan;
- ✓ development of a new and unification of the existing legal framework, which will create a legal infrastructure for digitalization;
- ✓ development and launch of digital platforms to simplify customs processes, organize a common infrastructure, digitalization and technologization between partner countries of the Republic of Uzbekistan;
- ✓ increasing the degree of digitalization of regional markets and sectors of national economies, creating a digital customs of Uzbekistan with foreign partners to create a common digital base;
- ✓ study and analysis of the practice of digitalization of foreign countries in the field of digitalization in order to adopt experience.

The creation of a digital space has a positive impact on the development of foreign trade turnover, which entails an increase in the volume of cargo transportation. Speaking of freight transportation, it should be noted that one of the clear signs of digitalization is the system of electronic road payment for the transportation of goods.

When studying foreign experience, the use of electronic CMR invoices is currently being actively introduced into practice. As part of the implementation of the basic requirements of the WTO TFA, the E-Transit system was introduced to further improve the movement of goods and the effective study of preliminary information about them. In the future, as a



result of effective interaction with foreign customs offices and the business community, namely the implementation of the requirements of the 3 pillars of the Security Framework Standards: business customs, customs-business, customs-customs, and the formation of a single digital space with foreign states, it will be possible to implement this. Information support can be provided within the framework of the EO at the regional level. At the same time, the relationship with transport companies will help to clearly determine the time of arrival of the goods and basic information about the goods.

Creation and continuous improvement of customs services and customs services will reduce costs and unnecessary barriers in the implementation of transport operations. At the same time, the possible introduction of the service into the customs service system, as a survey of the route, will have a positive impact on establishing contact with logistics companies and transport organizations, and will reduce the time and material costs of business community members.

The main aspects of improving the transit efficiency of the Republic of Uzbekistan are the optimization of control over the movement of goods across the customs border, that is, the transformation of customs regulation, and the reduction of the time of their customs clearance through the introduction of digitalization tools. Customs procedures are carried out with the help of modern information technologies, including the use of an electronic digital signature. All this makes it possible to significantly speed up document flow, reduce the number of cargo delays at the border, ensuring their unhindered movement to their destinations.

Thus, the introduction of remote declaration, E-Transit, Auto-Release systems allows you to implement the basics of simplifying and optimizing customs procedures and operations, reduce the role of the human factor, correctly and efficiently distribute the resources of customs administrations, effectively promote the development of foreign economic activity, increase the efficiency of customs control, and create conditions for partnership.

According to the Digital Uzbekistan-2030 strategy and measures for the effective implementation of digital transformation, transport and customs logistics occupy an important place. To succeed in building the future of the transport industry, it is necessary to develop a coordinated approach within the framework of digital development at the national and regional levels to maximize the effects (digital dividends) for all participants. For transformations in the customs sphere and in the transport industry, it is

necessary to use the experience of different countries and monitor the needs of these areas.

The United States of America, which is one of the largest and most developed economies in the world, as well as a world leader in the development and application of electronic declaration and the development of the digital economy, can best get an idea of the results of the implementation of the concept of digital customs. In the current environment, the U.S. Customs Service has been using advanced automated systems technologies for many years to simplify and speed up interaction with trade participants, which leads to improved customs services and decision-making on the release of goods. At the end of the 20th century, the Automated Commercial System (ACS) system of automated customs administration and control processes was gradually introduced in the United States. After the modernization of the service, the project of the Automatic Export System (AES) was put forward and implemented, created to accumulate information on issued export licenses, as well as information on imported goods with a value of more than 2.5 thousand dollars. In 2015, U.S. Customs and Border Protection put forward a strategic plan, Vision and Strategy 2020, to ensure a functioning for innovation. At the same time, when introducing innovations, it is necessary to calculate possible risks, especially when implementing priority areas, while taking into account cross-functionality. As a basis for the effective use of advance information (PI) and the risk management system (RMS) in the United States, it was decided to use the invoice as the main document for controlling the delivery of goods and their transportation, as well as improving the efficiency of customs control and clearance of goods. In the Republic of Uzbekistan, the use of the transit declaration and the introduction of the E-Transit information system, provided in advance by the declarant, makes it possible to simplify customs control and simplify formalities when crossing the customs border.

Assistance in the development of logistics companies will enable the customs authorities of the Republic of Uzbekistan to create an integrated information system with such companies for the processing of cargo data, to conduct effective delivery control, to analyze preliminary information and preliminary declaration, to carry out remote release of batches of bona fide traders. To impose on such companies the obligation to provide information for customs audit by the customs authorities on the condition of providing them with simplified customs control and clearance, to allow them to voluntarily indicate errors. Close cooperation with the transport



logistics sector will allow us to speed up the release of goods, cross the customs border without unnecessary customs barriers, and eliminate downtime at the customs border. It is necessary to create mutually beneficial relations, since transport logistics is interested in the quick implementation of customs procedures and timely delivery to the destination. Develop a system of customs audit of transport logistics. There is a need to expand the capabilities of the Single Window (UO) mechanism in the customs authorities. The Single Window system should not be limited only to the provision of certificates and permits, but also the exchange of information between agencies and the appropriate receipt of permits not only when actually issued, but also when moving through the customs territory.

The introduction of "electronic queue at the border" systems based on preliminary information (PI) data will avoid downtime at the customs border. The use of remote declaration and remote customs clearance will simplify customs procedures and reduce time costs, and will get rid of unnecessary customs barriers. If there are no risks of non-compliance with the law or where the risks are minimal in terms of the consequences of possible violations, it is necessary to offer businesses the most simplified technologies for customs clearance, to prevent unjustified costs for entrepreneurs associated with the downtime of vehicles, transportation of goods, and their storage at a customs terminal. The introduction of post-customs audit on the basis of WTO regulations makes it possible to reduce the time of customs inspection when goods and goods cross vehicles of the customs border.

All measures taken by the Government of the Republic of Uzbekistan and the leadership of the Customs Committee on digitalization are aimed at implementing the basic requirements of the World Trade Organization on trade facilitation (WTO TAFS) and will recognize Uzbekistan as one of the main promising partners in the field of world trade and improving the efficiency of customs administrations.

China's Practice of Applying Smart Customs: Applying the 3S Initiative:

- ✚ Smart Customs
- ✚ Smart Frontiers
- ✚ Smart Connectivity

Smart technology. Deploy equipment and systems that support emerging technologies such as artificial intelligence, IoT, cloud computing, blockchain, container scanning equipment, drones, and more.

Clever methods. To implement innovative thinking, scientific methods and modern systems in the Customs Administration, clearance processes and

international cooperation to optimize our working procedures and increase efficiency.

Smart customs.

Component 1 Infrastructure

Component 2 Customs control

Component 3 Internal management

Smart borders.

All customs authorities, building on their progress in establishing smart customs services, extend joint smart operations to other cross-border agencies. Smart borders aim to create a new model of border management by developing new approaches to border management and deploying intelligent hardware and software infrastructure through information sharing, joint prevention and control of risks, and mutual assistance in enforcement.

Component 1 Smart Border Agencies.

Component 2 Inter-agency cooperation Component. 3 Cross-border cooperation

Smart Collaboration

Calls for coordination between customs authorities and all other stakeholders in the global supply chain within the WCO. The customs community plays a leading role in encouraging all stakeholders to establish interconnected cooperation in real-time through smart technology and smart methods to ensure a seamless end-to-end global supply chain to improve security and facilitate global trade procedures.

Smart connectivity.

Component 1 – Connectivity of the Customs Information Network. Component 2 – Alignment of Smart Customs Management. Component 3 – Stakeholder Connectivity in the Global Supply Chain

Smart Customs aims to create a modern digital customs

Smart borders are designed to connect relevant authorities along the borders between the two member countries

Smart connectivity is the intention to create a network between all parties in the global supply chain. [3]

The creation of **Smart terminals**, taking into account best practices, will significantly reduce time and other costs, which will directly affect the development of transport logistics and the interaction of customs and logisticians.

The implementation of the CAREC Advanced Transit System (UTVS) and Common Information Exchange (TOI) Pilot Project is a harmonized electronic system for monitoring the movement of goods in transit through CAREC member states, designed to help ensure the smooth and more efficient passage of trade flows across borders, which will ultimately increase the



participation of Central Asian countries in dynamic global value chains. The development of an integrated information exchange system for the CAREC region is a significant simplification of customs administration.

Also, the development of a system for providing traders with advance decisions on the origin and determination of customs value will ensure proper customs control and reduce the time for customs clearance. At the same time, it is advisable to use customs clearance before the actual arrival of the goods.

Also, to provide traders with the opportunity to use preliminary information as a basis for transit without issuing a transit declaration (take the shipping document as a basis). To unify customs escort, or to involve as many traders and logistics firms as possible in interaction with customs in order to make security for customs payments in advance, make a preliminary decision regarding goods, expand the lists of customs carriers and thereby fully implement the framework standards of the three pillars.

In order to implement the standards of the Kyoto Convention on the simplification of customs procedures, trade facilitation and stimulation of the development of transport logistics, mutual recognition of AEOs is required. In order to implement this progressive direction and stimulate the development of transport and logistics potential, as well as the continuous improvement of customs administration, an Agreement was concluded between the Russian Federation and the Republic of Uzbekistan on the mutual recognition of AEOs.

Thus, transport logistics is always a dynamically developing industry, responsible for organizing the delivery of material assets from one point to another by the most optimal route with minimal costs. In today's environment, when competition in the logistics services market is especially high, the speed of cargo transportation is critical. That is why appropriate measures are being taken to simplify procedures and operations related to the clearance of goods and passage through the state and customs borders, as well as movement through the customs territory [4].

The regional framework will help CAREC (CAREC Advanced Transit System (TOCC)) countries participate in global value chains, which are the most dynamic segment of the global economy of the 21st century, by:

- ensuring that there is no duplication of effort to comply with the requirements of multiple transit systems;
- optimization and harmonization of transit documentation; the creation of a unified system of electronic communications and the

elimination of manual processing of documentation;

- the establishment of a modern, cost-effective, risk-based guarantee mechanism that will encourage law-abiding operators, such as AEOs;
- reduction of customs clearance time at borders;
- Ensuring compatibility with existing transit systems, e.g. with the EU NCTS (TIR Capacity Assessment IS, Guarantee System Study, etc.) [5].

There are also problems when paying the fee for the import-quarantine permit (ICR). Without this permit, the cargo is not allowed to enter the Republic of Uzbekistan. At the same time, the ICR is issued for a certain number of goods upon request. However, the regular movement of the same goods by the same sender and recipient does not give the right to grant the same permit.

REFERENCES AND SITES:

1. Digital Agenda of the EAEU of December 12, 2016 // Consultant Plus: Belarus. Tekhnologiya 3000 [Elektronnyi resurs] / OOO "YurSpektr", Nats. Legal Information Center of the Republic of Rep. Belarus. Minsk, 2019.
2. Comparative Experience of Digitalization of Public Services [Elektronnyi resurs] // Agency of the Republic of Kazakhstan for Public Service Affairs: [site]. [2019].
3. [Hatpas://vv.karecaprogram.org/upload/cc_14-oct_session-1_prc_russia.pdf](https://vv.karecaprogram.org/upload/cc_14-oct_session-1_prc_russia.pdf)
4. [HTTPS://SITE-IT.RU/BLOG/V-BOOMOSH-BUSINESS/VANOST-TRANSPORTDISEASE-LOKISTI-VI-SOVREMENNOM-MYRA-E-DENTENTSI-E-RAJVIDHIA/](https://site-it.ru/blog/v-boomosh-business/vanost-transportdisease-lokisti-vi-sovremennom-myra-e-dententsi-e-rajvidhia/)
5. <https://www.carecprogram.org/uploads/07-CAREC-Advanced-Transit-System-Prototype-Concept-Paper-ru.pdf>